

South Carolina Department of Insurance

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South Carolina Department of Insurance Adopts Military Sales Regulation

On November 23, 2007 the South Carolina Department of Insurance adopted the Military Sales Practices Regulation. "This regulation establishes standards to protect active duty service members of the United States Armed Forces from dishonest and predatory life insurance sales by declaring certain identified practices to be false, misleading, deceptive or unfair," stated Scott Richardson, Director of Insurance.

Regulation 69.65 is based on a model regulation developed by the National Association of Insurance Commissioners pursuant to the Congressional mandate announced in the Military Personnel Financial Services Protection Act, Pub. L. No. 109-290 (2006). As a part of this Act, Congress required that the states collectively work to ensure implementation of appropriate standards to protect members of the Armed Forces from dishonest and predatory insurance sales practices while on a military installation. Many of the practices identified in the Regulation incorporate Department of Defense solicitation rules. For example, the new regulation makes it a deceptive trade practice to solicit in barracks, day rooms or other restricted areas. The regulation applies to the conduct of insurers and their agents both on and off a military installation.

"Hopefully, with this powerful new enforcement tool and working together, we can finally put an end to dishonest and deceptive marketing practices that have accompanied the sales of life insurance to members of the military," said Scott Richardson, Director of Insurance.

For more information concerning this issue, please refer to the following websites: $\underline{www.doi.sc.gov}$ and $\underline{www.naic.org}$.